

Message Text

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ACTION ARA-10

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FM AMEMBASSY PARAMARIBO

TO SECSTATE WASHDC PRIORITY 2735

INFO AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

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EO 11652: NA

TAGS: EINV, NS

SUBJ: ALCOA REPORT ON QUESTIONABLE PAYMENTS

1. LOCAL PRESS HAS GIVEN EXTENSIVE COVERAGE THIS WEEK TO REPORT ON QUESTIONABLE PAYMENTS MADE PUBLIC IN THE U.S. JULY 9 BY ALUMINUM COMPANY OF AMERICA (ALCOA). STRAIGHTFORWARD REPORTING OF RESULTS OF ALCOA'S INVESTIGATION QUICKLY GAVE WAY TO EDITORIAL SPECULATION ON POSSIBLE PAYMENTS MADE TO POLITICAL PARTIES IN SURINAM THROUGH ALCOA'S WHOLLY-OWNED SUBSIDIARY SURINAME ALUMINIUM COMPANY (SURALCO).

2. PAPERS CARRIED ALCOA-SUPPLIED VERSION OF REPORT IN JULY 14 EDITIONS, DETAILING QUESTIONABLE PAYMENTS OF ABOUT 350,000 DOLLARS IN UNIDENTIFIED POLITICAL CONTRIBUTIONS AND PAYMENTS TO GOVERNMENT OFFICIALS ABROAD SINCE 1970, WHICH WERE SAID TO HAVE BEEN REVEALED BY AN INDEPENDENT INVESTIGATION INITIATED BY ALCOA. INVESTIGATION WAS ALSO SAID TO HAVE INDICATED SOME SUBSIDIARIES HAD COOPERATED WITH THEIR FOREIGN CLIENTS TO SET A HIGHER-THAN-MARKET PRICE, WITH REBATES GOING FOR POLITICAL PURPOSES.

3. JULY 15 ISSUE OF VRIJE STEM CALLED FOR A JUDICIAL

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COMMISSION WITH SUBPOENA POWERS TO INVESTIGATE WHETHER

ANY QUESTIONABLE POLITICAL PAYMENTS WERE MADE BY SURALCO IN SURINAM. ACCORDING TO VRIJE STEM, AN UNNAMED FORMER MINISTER IS SAID TO HAVE RECEIVED CAMPAIGN CONTRIBUTIONS FOR HIS PARTY FROM ALCOA/SURALCO BEFORE THE 1969 AND 1973 ELECTIONS. THE PAPER SUGGESTED OTHER QUESTIONABLE DEALINGS ALSO BE LOOKED INTO, SUCH AS A CONTRACT WITH UNITED FRUIT (NOW UNITED BRANDS) FOR EXPORT OF BANANAS.

4. ACCORDING TO PRESS REPORTS, OPPOSITION MEMBER OF PARLIAMENT HUMPHREY NURMOHAMED HAS CALLED FOR AN INVESTIGATION OF POSSIBLE QUESTIONABLE PAYMENTS BY SURALCO TO BE CONDUCTED BY THE PUBLIC PROSECUTOR'S OFFICE. HE IS QUOTED AS PLANNING TO ASK IN WRITING WHETHER SUCH AN INVESTIGATION HAS BEEN INSTITUTED.

5 COMMENT: THERE HAS BEEN NO OFFICIAL GOVERNMENT COMMENTS ON ALCOA REPORT OR ON POSSIBLE INVOLVEMENT OF SURALCO OR SURINAMERS IN QUESTIONABLE PAYMENTS, BUT THIS IS NOT SURPRISING WITH THE PRIME MINISTER, PARLIAMENTARY LEADERS, AND GOVERNMENT SPOKESMAN ALL OUT OF THE COUNTRY. IF THE PRESS AND THE OPPOSITION CONTINUE TO STIR THE POT, HOWEVER, WE WOULD EXPECT THE GOS AND SURALCO WILL EVENTUALLY HAVE TO COMMENT.
ZURHELLEN

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